
Workforce/Compensation

SUMMARY OF FY11 RECOMMENDATIONS

A. SUMMARY OF AGENCY REQUESTS

Montgomery County Public Schools (MCPS): The MCPS workforce for FY11, as recommended by the Board of Education (BOE), is 21,187.7 FTEs, or 218.1 FTEs greater than the FY10 workforce of 20,949.4 FTEs. The BOE has negotiated agreements with the public schools' bargaining units, the Service Employees International Union (SEIU), the Montgomery County Education Association (MCEA), the Montgomery County Association of Administrators and Personnel (MCAAP), and the Montgomery County Business and Operations Administrators (MCBOA). The contracts with these unions will expire on June 30, 2014. During the fall of 2009, the three bargaining groups agreed to participate in joint negotiations regarding salaries and benefits for FY11. Negotiations on salary and benefits are still ongoing. For more information on compensation and workforce changes, please see the Board of Education FY11 recommended budget document.

Montgomery College (MC): The net impact on the Montgomery College workforce for FY11, as requested by the College and its Board of Trustees, is an increase of 63.0 work years. This is accompanied by an increase in personnel costs of about \$6.1 million. The primary factors for these cost changes are the full-year impact of prior year merit increases, reclassifications, promotions, and fringe benefit increases. For more information on compensation and workforce changes, please consult the Adopted FY11 Montgomery College Operating Budget Request, available on the College's website.

Maryland-National Capital Park & Planning Commission (M-NCPPC): The net impact on the Maryland-National Capital Park and Planning Commission workforce for FY11, as recommended by the Planning Board, is an increase in personnel costs of \$6.9 million. The increase includes merit and general wage adjustment pay increases, retirement, and group insurance. For more information on compensation and workforce changes, please see the M-NCPPC FY11 recommended budget document.

Montgomery County Government (MCG): The net impact on the County government workforce for FY11, as recommended by the Executive, is a decrease of 747.9 workyears. The recommended budget contains a decrease in total personnel costs of \$44.0 million, or -4.6 percent. The primary factors in these changes are:

	<u>Millions</u>
• Net reduction in workyears, and anticipated turnover and lapse	(\$44.4)
• Furloughs	(\$15.0)
• Performance-based pay	(\$0.5)
• Change in group insurance contribution rates	\$5.6
• Change in retirement contribution rates	\$10.2

B. COUNTY GOVERNMENT SALARY AND WAGES

GENERAL WAGE ADJUSTMENT: General wage adjustments for the employees of the County government and the independent agencies are not funded in the Executive's recommended budget, the second consecutive year in which no general wage increase has been funded. FY11 salary schedules can be found on the County's website at www.montgomerycountymd.gov/content/ohr/ResourceLibrary/RLMain.cfm.

FURLOUGHS: The Executive's recommended budget assumes 10 furlough days (80 hours) for employees of the County government, which is expected to produce approximately \$12.2 million in tax supported savings.

INCREMENTS: Service increments and/or merit increases for employees of the County government and the independent agencies are not funded in the Executive's recommended budget.

PERFORMANCE-BASED PAY: Management Leadership Service employees are not eligible for service increments but are instead eligible for performance-based pay adjustments. Unrepresented employees on the general salary schedule are also eli-

gible to receive lump sum performance bonuses or advancement to a longevity/performance increment based on certain criteria. For FY11, the Executive's recommended budget does not fund MLS performance-based pay. In addition, the Executive's budget does not fund lump sum performance bonuses or advancement to the longevity/performance increment for unrepresented employees.

C. COUNTY GOVERNMENT: EMPLOYEE BENEFITS

The following employee benefits are funded in the Executive's recommended budget through a combination of lump sum or payroll-based contributions.

- **FICA (Social Security & Medicare)**
- **Workers' Compensation**
- **Group Insurance**
- **Employees' Retirement System**
- **Retirement Savings Plan**

Social Security and Medicare: Contributions are collected from County departments and agencies each payday based on actual payroll. Since contribution rates and salary maximums change at the start of the calendar year, figures used in the recommended fiscal year budget represent an average of the rates set for 2010 and projected changes for 2011. Neither the rates (percentage of salary, which is contributed by both employer and employee) nor the annual salary maximum on which to base FICA is projected are expected to change.

Workers' Compensation: This is handled through the County's Risk Management program under the Department of Finance. Departments with significant non-tax revenues make annual contributions to the Liability and Property Coverage Self-Insurance Fund. A lump sum contribution to the Fund for insurance for the remaining County departments is made annually through the Risk Management (General Fund portion) Non-Departmental Account. Participating County agencies also make annual lump sum contributions. Contributions for all members are set each year based on an actuarial valuation of claims experience for Workers' Compensation.

Group Insurance Benefits: The contributions for health insurance are based on fixed rates per coverage level, and the contribution for life insurance is based on fixed rates per coverage amounts based on an employee's salary. Overall, in calendar 2010, plan participants experienced a 10.1 percent increase in premiums from the previous year. Rate changes were made pursuant to an actuarial analysis of claims experience and previous rate actions.

It is projected for the long term that the annual cost of group insurance for the County, including active employees and retirees, could increase an average of approximately ten percent annually between FY11 and FY16. Contribution rates during this period will be set based on various factors, including the fund balance in the Health Insurance Fund and claims cost experience.

Retirement Benefits: Montgomery County government maintains a system of retirement pay and benefits for its employees which are intended to provide income during their retirement years. The Retirement Program, which currently provides benefits to approximately 5,379 retirees and survivors, is administered by the Office of Human Resources. Retirement plan design changes occurring through the collective bargaining process and by other means are coordinated by the Office of Human Resources in consultation with the County's actuaries, the Finance Department, and the Office of Management and Budget.

Retiree Health Benefits Trust: Beginning in FY08, the County implemented a plan to set aside funds for retiree health benefits, similar to what we have been doing for retiree pension benefits for more than 50 years. The reasons for doing this are simple: due to exponential growth in expected retiree health costs, the cost of funding these benefits, which are currently paid out as the bills come due, may soon become unaffordable. Setting aside money now and investing it in a Trust Fund, which will be invested in a similar manner as the pension fund, not only is a prudent and responsible approach, but will result in significant savings over the long term.

As a first step in addressing the future costs of retiree health benefits, County agencies developed current estimates of the costs of health benefits for current and future retirees. These estimates, made by actuarial consultants, concluded that the County's total future cost of retiree health benefits if paid out today, and in today's dollars, is \$2.6 billion – more than half the total FY11 budget for all agencies.

One approach used to address retiree health benefits funding is to determine an amount which, if set aside on an annual basis and actively invested through a trust vehicle, will build up over time and provide sufficient funds to pay future retiree health benefits. This amount, known as an Annual Required Contribution or "ARC", was calculated for County agencies last year to be \$240 million, or nearly \$190 million more than the previous annual payment for current retirees. Still too large an amount

to be set aside all at once in FY08, the County chose a further approach of “ramping up” to the ARC amount over several years, with the amount set aside each year increasing steadily until the full ARC is reached. A total of \$31.9 million for all tax supported agencies was budgeted for this purpose in FY08.

Proposed FY11 Retiree Health Benefits Trust Contributions	
Montgomery County Government (MCG)	FY11
<u>General Fund:</u>	
Retiree Health Benefits Trust NDA	\$0
<u>Proprietary Funds:</u>	
Bethesda Parking District	\$131,480
Wheaton Parking District	19,720
Silver Spring Parking District	105,180
Solid Waste Collection	59,160
Solid Waste Disposal	473,310
Liquor Control	2,051,030
Permitting Services	1,406,790
Community Use of Public Facilities	177,490
Motor Pool	1,097,830
Risk Management	78,890
Central Duplicating	197,210
<u>Participating Agency Contributions</u>	\$1,490,200
Total MCG Trust Contributions	\$7,288,290
Montgomery County Public Schools Trust Fund	\$0
Montgomery College Trust Fund	\$0
Park and Planning Commission Trust Fund	\$0
Total Contributions/Assets Held in Trust	\$7,288,290

For FY09, the ARC has been recalculated and is now estimated at \$250 million. This amount consists of two pieces – the annual amount the County would usually pay out for health benefits for current retirees (the pay as you go amount), plus the additional amount estimated as needed to fund retirees’ future health benefits (the pre-funding portion). The pay as you go amount can be reasonably projected based on known facts about current retirees, and the pre-funding portion is estimated on an actuarial basis. For FY09, a ramp-up period of eight years was assumed, up from the five year phase-in that was planned in FY08. Because of the County’s fiscal situation, the Executive’s recommended budget does not include tax-supported funding in FY11. A detailed breakdown of the Retiree Health Benefit Trust contributions for tax supported agencies is displayed in the table at left.

Retirement Plans:

Montgomery County government maintains three retirement plans for its employees. a defined benefit pension plan, a defined contribution plan, and a deferred compensation plan for its employees and participating agencies.

1) The Employees’ Retirement System (ERS), a defined benefit pension plan, was established through legislation in 1965 and is found in the Montgomery County Code, Section 33. The Retirement Program, which currently provides benefits to approximately 5,379 retirees and survivors, is administered by the Office of Human Resources. Retirement plan design changes occurring through the collective bargaining process and by other means are coordinated by the Office of Human Resources in consultation with the County’s actuaries, the Finance Department, and the Office of Management and Budget.

The ERS consists of four plans including a Mandatory Integrated Retirement Plan, an Optional Non-Integrated Retirement Plan, an Optional Integrated Plan, and a Guaranteed Retirement Income Plan. The Guaranteed Retirement Income Plan (GRIP) is a Cash Balance Plan that is being offered in FY10 as a result of negotiations between Montgomery County and UFCW Local 1994 MCGEO. Eligibility to participate has been passed through to non-represented employees and participants of participating agencies. All full and part-time non-public safety employees hired before January 1, 2009 enrolled in the RSP were eligible to make a one-time irrevocable election to transfer to the GRIP by June 1, 2009. Eligible employees hired after January 1, 2009, have the option to participate in either the RSP or the GRIP. As with the RSP, the County and employee each make contributions at a set percentage of pay. The salient feature of the GRIP is that the plan provides guaranteed annual earnings of 7.25%, credited monthly.

2) The Retirement Savings Plan (RSP), a defined contribution plan, was established for all new OPT/SLT (non-public safety) and non-represented employees hired on or after October 1, 1994. Eligible employees hired after January 1, 2009, have the option to participate in either the RSP or the GRIP. Eligible employees in the ERS are allowed to transfer to the Retirement Savings Plan. Both full-time and part-time employees can participate. Under this plan, the County and employee each make contributions at a set percentage of pay. These monies are deposited into investment vehicles, established by the Board of Investment Trustees, of the employee’s choosing designed to provide a retirement benefit directly to the employee.

3) The Montgomery County Deferred Compensation Plan (DCP) was established by the County to make a deferred compensation plan available pursuant to Section 457 of the Internal Revenue Code. Employee contributions are made on a voluntary basis with the monies deposited into investment vehicles, established by the Board of Investment Trustees, of the employee’s choosing designed to provide a retirement benefit directly to the employee. In FY 2005, the County established the Montgomery County Union Employees Deferred Compensation Plan for employees covered by a collective bargaining agreement. This Plan is administered by the three unions representing Montgomery County employees.

Retirement Fund: The Board of Investment Trustees manages the assets of the ERS through its investment managers in accordance with the Board’s asset allocation strategy. The Board also administers the investment program for the Retirement

Savings Plan, the GRIP, and the Montgomery County Deferred Compensation Plan. The Montgomery County Union Employees Deferred Compensation Plan is administered by the three unions representing Montgomery County employees. The Board currently consists of 13 trustees including: the Directors of Human Resources, Finance, Management and Budget, and the Council Staff; one member recommended by each employee organization; one active employee not represented by an employee organization; one retired employee; two members of the public recommended by the County Council; and two members of the general public.

Change In Retirement System Membership: As indicated in the table “Retirement Funds: Enrollment and County Contribution Rates” at the end of this narrative, the number of active non-public safety employees in the ERS declined, the number of active public safety employees increased, and the number of employees in the RSP increased.

Funds for the County’s contribution to the ERS for each member employee are included in the appropriate County government departmental budget or agency budget. Budgeted ERS contribution rates are displayed in the table “Retirement Funds: Enrollment and Contribution Rates” at the end of this narrative and are based on a 40-year funding schedule, with the exception of the additional costs from the FY09 Retirement Incentive Program (RIP) which are being amortized on a 10-year schedule. The County uses multiple contribution rates designating the percentage of payroll for the various employee groups to determine the retirement contribution. These rates are determined annually by an actuarial valuation.

County contributions are determined using actuarially sound assumptions to assure the financial health of the Fund. Factors that affect the County’s contributions include the impact of compensation adjustments, increases in the size of the workforce, investment returns, and collectively bargained benefit changes. The ERS contribution rates reflect projections of revenues and expenses to the fund. Revenues include member contributions which are set at fixed percentages of salaries and investment income which is driven by both earnings in the market and the size of the Fund balance invested.

Expenses of the Fund include pension payments which are affected by mandated cost-of-living increases and changes in the number of retirees and survivors; administrative and operational expenses of the Fund managers and financial consultants; and charges for services provided by County staff in the Board of Investment Trustees, Finance, and Human Resources.

The Executive and Municipal and County Government Employees Organization (MCGEO), Local 1994, agreed to seek legislation authorizing a retirement incentive program to coordinate with the anticipated reduction-in-force necessary to implement workforce reductions included in the Executive’s FY11 recommended budget. Employees at normal retirement age or within two years of normal retirement will be eligible to receive the \$35,000 incentive. Unlike previously proposed retirement incentive programs, the FY11 program will be targeted to job classes affected by a reduction-in-force and will be limited to the number of anticipated layoffs in a particular job class. The program is intended to maximize budgetary cost reductions by encouraging the most senior employees to retire and minimize the number of potential layoffs.

COLLECTIVE BARGAINING

The County government is scheduled to negotiate new term agreements with all of its represented employee organizations and the association representing volunteer fire fighters during FY11 to be effective July 1, 2011

FY11 Compensation Improvements Potential Fiscal Impact (Tax Supported Costs Only)				
Agency/Bargaining Unit	Service Increment	GWA	Tuition Assistance ⁴	Total
FOP ¹	\$ 1,249,680	\$ -	\$ 454,455	\$ 1,704,135
Police Management	-	-	-	-
IAFF ²	995,030	8,481,150	58,569	9,534,749
Fire Management	3,810	591,740	-	595,550
MCGEO	2,598,050	-	321,766	2,919,816
Non-represented	725,890	-	96,336	822,226
MCVFRA	-	-	51,727	51,727
Total County Government	\$ 5,572,460	\$ 9,072,890	\$ 982,853	\$ 15,628,203
MCPS	25,908,503	-	-	25,908,503
Montgomery College	2,313,659	-	-	2,313,659
MNCPPC ³	900,700	1,411,900	-	2,312,600
Total All Tax Supported Agencies	\$ 34,695,322	\$ 10,484,790	\$ 982,853	\$ 46,162,965
Notes:				
1. The FOP's award reflected in this table includes payment of a 3.5 percent service increment in FY11 and continuation of tuition assistance reimbursements.				
2. FY11 is the final year of the current labor agreement with IAFF. The contract calls for a 3.5 percent general wage adjustment, a 3.5 percent pay plan adjustment, and a 3.5 percent service increment which are reflected in this table.				
3. MNCPPC negotiated FY11 wage and service increment increases with its police and general government bargaining units.				
4. Actual FY09 expenditures reflected for Tuition Assistance. Uniformed management included within Non-represented.				

(FY12). For FY11, the Executive's recommended budget does not include funding for general wage adjustments, service increments, or tuition assistance for any employee.

The table on the previous page presents the potential cost to the County of funding compensation increases for employees of the County government and the independent agencies. Because these wage improvements are not affordable at this time and in light of the extraordinary measures taken to balance the FY11 budget, the Executive does not recommend, and has not included, these compensation improvements.

WORKFORCE ANALYSIS

Basis: Workforce Analysis has been performed on changes to tax supported and non-tax supported workyears (WYs) in the Executive's Recommended FY11 Operating Budget for the County government.

Overall changes are calculated in comparison to the Approved Personnel Complement for FY10, which began on July 1, 2009. Changes shown reflect such factors as the addition of grant-funded positions; abolishments and creations to implement approved job sharing agreements; technical adjustments to remove positions currently associated with "group positions" which can contain unlimited numbers of employees (temporary, seasonal, or contractual), but are defined by the amount of service in terms of workyears that they are to provide; and other miscellaneous changes. Changes recommended by the Executive for FY11 are in three categories: current year position changes due to supplemental appropriations or other actions, new fiscal year position changes scheduled to take effect July 1, 2010, and position changes scheduled for later in the fiscal year. In the latter case, the workyear change will be prorated for the portion of the year it is recommended.

Summary: The recommended budget includes funding for 8,612 full-time positions, a net decrease of 339 from the approved FY10 Personnel Complement of 8,951 full-time positions. Funding for 908 part-time positions is included, a net decrease of 31 positions from the approved FY10 Personnel Complement of 939 positions.

Tax supported workyears account for 82.4 percent of the County's total workyears. Total tax supported workyears will decrease to 7,414.1 WYs in FY11, a decrease of 688.8 WYs or 8.5 percent.

Total County government workyears will decrease to 9,001.5 WYs in FY11, a decrease of 747.9 WYs or 7.7 percent. When measured relative to population, total workyears per thousand population has also decreased, from FY10 (9.20 in FY11 compared to 10.09 in FY10).

Of the County's 7,414.1 tax-supported workyears proposed for FY11, Public Safety departments account for 50.1 percent, or 3,717.2 workyears. Public Safety workyears will decrease by 198.1 workyears, or 5.1 percent from FY10 levels. Detailed below are the significant net changes in the number of tax-supported workyears in the FY11 Recommended Budget.

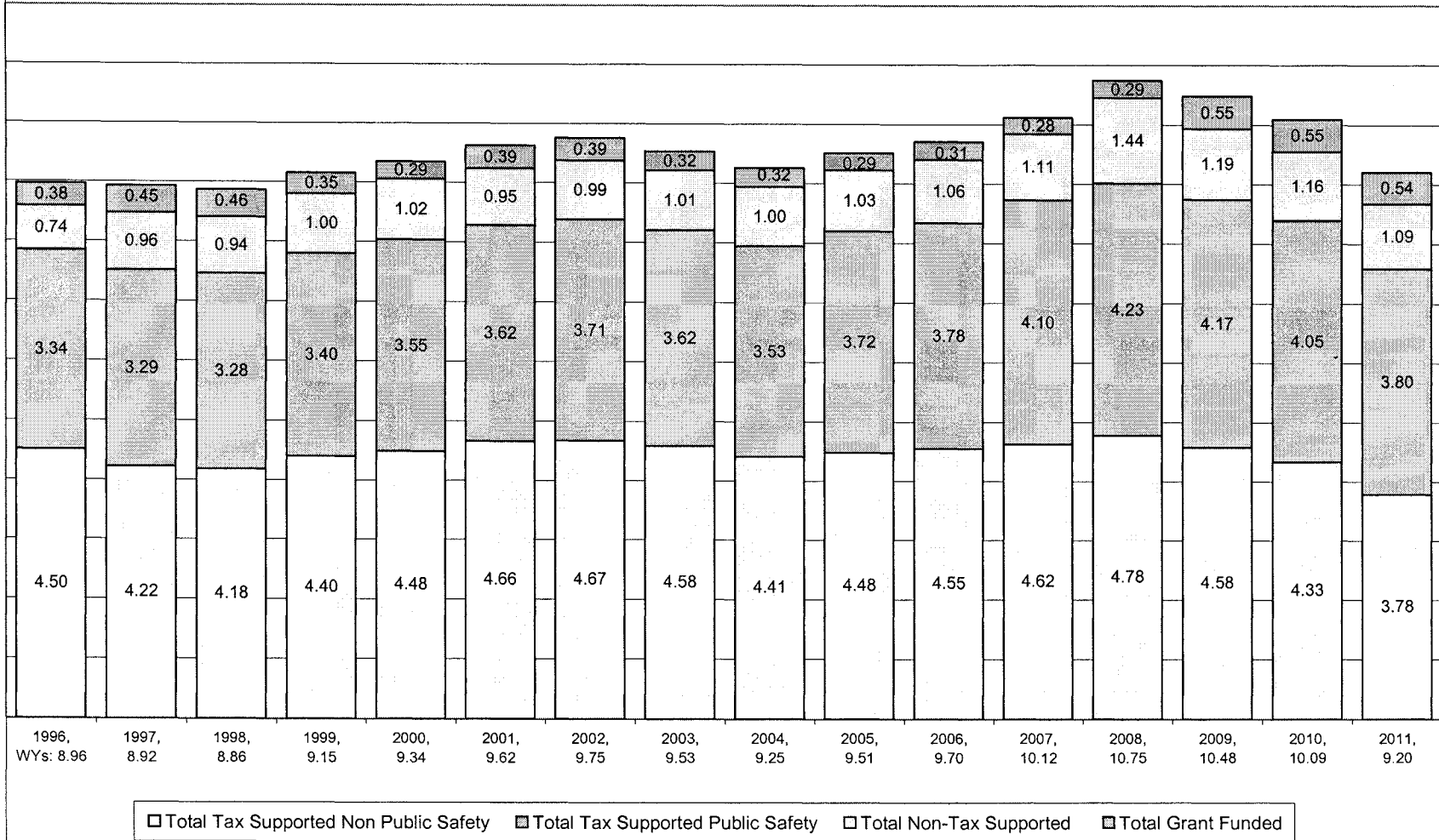
Workforce Changes (Tax Supported)	WYs
• Public Libraries: service hour reductions, staff reductions for the Gaithersburg renovation, and vacancy abolishments	-86.6
• Fire and Rescue Service: further civilianization of Public Safety Communication Center, public intern abolishments, and lapse increase	-79.5
• Police: position reductions in Traffic and Community Policing, education facilities, and fingerprinting divisions	-62.5
• Recreation: eliminate, reduce, and restructure programs; eliminate all Principal Administrative Aide positions	-56.8
• Correction and Rehabilitation: abolish sworn and civilian positions in a number of functions	-42.5
• Transportation: funding shifts and the elimination or reduction of programs	-42.0
• Technology Services: abolished positions in a number of different functions	-30.5
• General Services: position abolishments, largely focused in the carpentry, building services inspection, and management services functions	-18.1
• County Executive: reduced Volunteer Center staffing, clerical staff, and funding shifts	-14.7

MONTGOMERY COUNTY GOVERNMENT - MEDICAL PLAN ENROLLMENT, ACTIVE EMPLOYEES															
HEALTH PLAN	2009					2010					CHANGE				
	EMP	EMP+1	FAM	TOTAL	%INSURED	EMP	EMP+1	FAM	TOTAL	% OF INSURED	EMP	EMP+1	FAM	TOTAL	%Dif
Carefirst POS	1,893	1,319	2,289	5,501	61.7%	1,806	1,315	2,306	5,427	62.0%	(87)	(4)	17	(74)	0.3%
Carefirst POS Std	162	75	96	333	3.7%	163	88	113	364	4.2%	1	13	17	31	0.4%
Kaiser	516	258	431	1,205	13.5%	494	284	426	1,204	13.8%	(22)	26	(5)	(1)	0.2%
United Healthcare	591	437	843	1,871	21.0%	538	432	785	1,755	20.1%	(53)	(5)	(58)	(116)	-0.9%
Grand Total				8,910					8,750					(160)	

RETIREMENT FUNDS: ENROLLMENT & COUNTY CONTRIBUTION RATES						
Employee Retirement System Plans	Number Employees (7/1/08)	Fiscal 2010 Contribution Rate	Number Employees (7/1/09)	Fiscal 2011 Contribution Rate	Number Employees 7/08 v. 7/09	FY 10 v. 11 Contribution Rate
Public Safety						
Optional, Nonintegrated	18	80.12%	13	107.67%	(5)	27.55%
Optional, Integrated	62	78.33%	46	99.61%	(16)	21.28%
Mandatory Integrated	2,885	33.29%	2,943	35.88%	58	2.59%
Subtotal Public Safety	2,965		3,002		37	
Non-Public Safety						
Optional, Nonintegrated	71	39.40%	62	44.27%	(9)	4.87%
Optional, Integrated	125	42.30%	107	46.36%	(18)	4.06%
Mandatory Integrated	1,899	22.41%	1,841	26.39%	(58)	3.98%
Subtotal Non-Public Safety	2,095		2,010		(85)	
Guaranteed Retirement Income Plan	-	-	990	6.53%	990	6.53%
Total ERS System Plans	5,060		6,002		942	
Retirement Savings Plan	4,746	8.00%	3,963	8.00%	(783)	0.00%

MONTGOMERY COUNTY GOVERNMENT WORKFORCE CHANGE SUMMARY COUNTY EXECUTIVE RECOMMENDED: FY11					
	POSITIONS		WORKYEARS		TOTAL WYs
	Full Time	Part Time	Tax Supported	Non-Tax Supp.	
FY10 APPROVED COMPLEMENT	8,951	939	8,102.9	1,646.5	9,749.4
FY11 RECOMMENDED COMPLEMENT	8,612	908	7,414.1	1,587.4	9,001.5
CHANGE IN WORKFORCE (GROSS)	(339)	(31)	(688.8)	(59.1)	(747.9)
Percentage Change	(3.8%)	(3.3%)	(8.5%)	(3.6%)	(7.7%)

HISTORY OF APPROVED COUNTY GOVERNMENT WORKYEARS PER 1,000 POPULATION BY FUNDING CATEGORY FY96-FY10 Approved, FY11 Recommended



Source: D-3

TOTAL COUNTY COST OF EMPLOYEE BENEFITS

DEPARTMENT	SOCIAL SECURITY	GROUP INSURANCE	RETIREMENT	TOTAL
General Fund Tax Supported				
<i>Legislative</i>				
Board of Appeals	30,780	27,350	59,180	117,310
County Council	453,540	650,800	803,900	1,908,240
Inspector General	28,840	33,250	33,450	95,540
Legislative Oversight	59,360	138,250	157,480	355,090
Merit System Protection Board	7,970	11,410	11,610	30,990
People's Counsel	12,450	2,730	40,050	55,230
Zoning & Administrative Hearings	26,390	21,930	26,280	74,600
<i>Judicial</i>				
Circuit Court	429,440	812,800	865,580	2,107,820
State's Attorney	655,870	972,750	1,220,110	2,848,730
<i>General Government</i>				
Board of Elections	237,710	230,490	181,690	649,890
Commission for Women	44,090	72,060	93,210	209,360
County Attorney	216,570	204,700	599,140	1,020,410
County Executive	207,880	345,120	427,560	980,560
Finance	450,160	1,014,750	1,072,660	2,537,570
General Services	729,900	1,633,630	1,857,630	4,221,160
Human Resources	224,560	268,000	305,150	797,710
Human Rights	109,000	197,540	221,200	527,740
Intergovernmental Relations	39,820	38,600	74,430	152,850
Management and Budget	180,310	258,570	389,220	828,100
Public Information	214,870	390,020	432,850	1,037,740
Regional Services Centers	103,660	149,250	208,920	461,830
Technology Services	828,660	1,192,370	1,562,800	3,583,830
<i>Public Safety</i>				
Consumer Protection	97,480	167,810	328,540	593,830
Correction and Rehabilitation	2,879,760	5,975,730	9,756,780	18,612,270
Emergency Management and Homeland Security	60,760	85,400	117,640	263,800
Police	10,222,060	20,512,550	36,331,820	67,066,430
Sheriff	915,960	1,945,160	3,269,070	6,130,190
<i>Transportation</i>				
Transportation	1,169,730	3,050,630	2,790,680	7,011,040
<i>Health and Human Services</i>				
Health and Human Services	5,753,348	11,678,951	10,976,146	28,408,445
<i>Libraries, Culture & Recreation</i>				
Public Libraries	1,349,830	2,964,330	3,002,100	7,316,260
<i>Community Development and Housing</i>				
Economic Development	215,010	345,230	298,800	859,040
Housing and Community Affairs	175,590	370,730	516,120	1,062,440
<i>Environment</i>				
Environmental Protection	80,670	158,340	187,350	426,360
<i>Other County Government Functions</i>				
NDA - Compensation and Employee Benefits Adjustment	10,400	11,220	931,320	952,940
NDA - Conference Center	6,270	11,060	6,560	23,890
NDA - Judges Retirement Contribution	0	0	3,740	3,740
NDA - State Positions Supplement	9,910	18,690	29,580	58,180
Total General Fund Tax Supported	28,238,608	55,962,201	79,190,346	163,391,155

TOTAL COUNTY COST OF EMPLOYEE BENEFITS

FUND	SOCIAL SECURITY	GROUP INSURANCE	RETIREMENT	TOTAL
Special Funds Tax Supported				
Economic Development	7,210	17,420	7,550	32,180
Fire	7,648,750	14,937,720	31,328,280	53,914,750
Mass Transit	3,204,510	7,315,520	4,934,670	15,454,700
Recreation	1,002,180	907,280	1,420,360	3,329,820
Urban District - Bethesda	3,940	4,450	4,130	12,520
Urban District - Silver Spring	104,720	195,170	123,990	423,880
Urban District - Wheaton	60,640	117,020	57,090	234,750
Total Special Funds Tax Supported	12,031,950	23,494,580	37,876,070	73,402,600
Total Tax Supported	40,270,558	79,456,781	117,066,416	236,793,755
Special Funds Non-Tax Supported				
Grant Fund - MCG	2,860,257	6,001,670	4,866,238	13,728,165
Cable Television	166,870	313,540	186,890	667,300
Montgomery Housing Initiative	73,020	153,290	200,920	427,230
Water Quality Protection Fund	225,660	401,990	353,050	980,700
Total Special Funds Non-Tax Supported	3,325,807	6,870,490	5,607,098	15,803,395
Enterprise Fund Non-Tax Supported				
Community Use of Public Facilities	121,380	264,280	231,070	616,730
Liquor Control	1,307,040	2,852,640	2,072,940	6,232,620
Parking District - Bethesda	103,600	207,960	205,270	516,830
Parking District - Montgomery Hills	2,150	4,170	3,490	9,810
Parking District - Silver Spring	112,260	221,950	207,660	541,870
Parking District - Wheaton	17,250	36,960	34,210	88,420
Permitting Services	1,052,890	1,894,210	2,559,540	5,506,640
Solid Waste Collection	62,070	108,000	104,780	274,850
Solid Waste Disposal	508,960	985,920	813,280	2,308,160
Vacuum Leaf Collection	195,310	375,357	281,150	851,817
Total Enterprise Fund Non-Tax Supported	3,482,910	6,951,447	6,513,390	16,947,747
Total Non-Tax Supported	6,808,717	13,821,937	12,120,488	32,751,142
Internal Service Funds				
Employee Health Benefit Self Insurance Fund	72,950	131,040	88,350	292,340
Motor Pool	1,059,140	2,313,830	1,660,240	5,033,210
Printing & Mail	131,260	230,410	298,320	659,990
Self Insurance	234,150	379,510	404,570	1,018,230
Total Internal Service Funds	1,497,500	3,054,790	2,451,480	7,003,770

PROPOSED OPERATING BUDGET DEFERRED COMPENSATION MANAGEMENT						
ITEM	FY09 ACT	FY10 APPR	FY10 EST	FY11 REC	\$ Change	% Change
EXPENSES						
Salaries and Benefits	69,120	94,840	60,620	71,810	(23,030)	(24.3%)
Professional Services	3,670	5,900	6,000	6,000	100	1.7%
Due Diligence/Education	1,450	1,000	1,600	1,600	600	60.0%
Office Management	5,300	7,110	6,110	6,210	(900)	(12.7%)
Investment Management	25,190	20,900	20,900	21,700	800	3.8%
TOTAL EXPENSES	\$104,730	\$129,750	\$95,230	\$107,320	(\$22,430)	(17.3%)

Amounts shown above are not charged to the Deferred Compensation Plan trust but are instead appropriated and charged to the General Fund Compensation and Employee Benefits Adjustments Non-Departmental Account.

PROPOSED OPERATING BUDGET RETIREE HEALTH BENEFIT TRUST						
ITEM	FY09 ACT	FY10 APPR	FY10 EST	FY11 REC	\$ Change	% Change
EXPENSES						
Salaries and Benefits	25,620	68,710	68,710	67,730	(980)	(1.4%)
Professional Services	150,640	75,000	75,000	75,000	0	0.0%
Office Management	0	1,700	1,700	1,700	0	0.0%
Investment Management	24,720	60,000	50,000	100,000	40,000	66.7%
TOTAL EXPENSES	\$200,980	\$205,410	\$195,410	\$244,430	\$174,410	84.9%

PROPOSED OPERATING BUDGET EMPLOYEES' RETIREMENT SYSTEM						
ITEM	FY09 ACTUAL	FY10 APPR	FY10 EST	FY11 REC	FY11 vs. FY10 Appr. \$ %	
REVENUE						
County Contributions	109,567,010	115,000,000	115,000,000	131,000,000	16,000,000	13.9%
Employee Contributions	18,244,980	18,900,000	18,900,000	18,000,000	(900,000)	(4.8%)
Investment Income	(417,660,190)	170,000,000	420,000,000	210,000,000	40,000,000	23.5%
Miscellaneous Income	1,804,990	720,000	480,000	550,000	(170,000)	(23.6%)
TOTAL REVENUE	(288,043,210)	304,620,000	554,380,000	359,550,000	54,930,000	18.0%
EXPENSES						
OPERATING EXPENSES						
Retirement Benefits	169,286,410	180,700,000	176,700,000	190,700,000	10,000,000	5.5%
Investment Management	12,669,400	11,666,400	14,000,000	15,000,000	3,333,600	28.6%
SUBTOTAL	181,955,810	192,366,400	190,700,000	205,700,000	13,333,600	6.9%
ADMINISTRATIVE EXPENSES						
Salaries and Benefits	1,490,790	1,480,000	1,521,300	1,660,710	180,710	12.2%
Professional Services	729,830	958,930	858,930	829,930	(129,000)	(13.5%)
Benefit Processing	411,110	375,000	375,000	375,000	0	0.0%
Due Diligence/Education	30,680	53,500	47,500	53,500	0	0.0%
Office Management	193,980	251,030	254,030	258,030	7,000	2.8%
SUBTOTAL	2,856,390	3,118,460	3,056,760	3,177,170	58,710	1.9%
TOTAL EXPENSES	\$184,812,200	\$195,484,860	\$193,756,760	\$208,877,170	\$13,392,310	6.9%
NET REVENUE	(\$472,855,410)	\$109,135,140	\$360,623,240	\$150,672,830	\$41,537,690	38.1%

PROPOSED OPERATING BUDGET RETIREMENT SAVINGS PLAN						
ITEM	FY09 ACTUAL	FY10 APPR	FY10 EST	FY11 REC	Change: FY11 vs. FY10 Appr. \$ %	
REVENUE						
Investment Income	12,440	12,000	13,000	11,000	(1,000)	(8.3%)
Miscellaneous Income	371,850	100,000	355,000	150,000	50,000	50.0%
TOTAL REVENUE	384,290	112,000	368,000	161,000	49,000	43.8%
EXPENSES						
OPERATING EXPENSES						
Investment Management	25,190	20,900	20,900	21,700	800	3.8%
SUBTOTAL	25,190	20,900	20,900	21,700	800	3.8%
ADMINISTRATIVE EXPENSES						
Salaries and Benefits	127,900	185,220	153,780	165,050	(20,170)	(10.9%)
Professional Services	208,420	193,500	78,500	78,500	(115,000)	(59.4%)
Due Diligence/Education	1,250	2,000	2,600	2,600	600	30.0%
Office Management	37,630	25,230	24,030	24,030	(1,200)	(4.8%)
SUBTOTAL	375,200	405,950	258,910	270,180	(135,770)	(33.4%)
TOTAL EXPENSES	\$400,390	\$426,850	\$279,810	\$291,880	(\$134,970)	(31.6%)